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January 30, 1996

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BY HAND

JAN 30 1996

William F. Caton
Acting Secretary
Federal Communications Commission, Room 222
1919 M Street, N.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: File Nos. W-P-C 6913, W-P-C 6916, Tariff FCC No. 135,
Transmittal No. 1853; CC Docket Nos. 94-1, 93-124, 93-197,
In the Matter of Price Cap Performance Review

Dear Mr. Caton:

On January 23, 1996, Jeffrey Sinsheimer, Director of Regulatory Affairs for California Cable Television Association, and I met with Regina Keeney, Chief; Laurence D. Atlas, Associate Bureau Chief; A. Richard Metzger, Jr., Deputy Bureau Chief; Daniel Gonzalez, Counsel to the Bureau Chief; and David Krech, Tariff Division, all of the Common Carrier Bureau, to discuss matters relating to the above-referenced proceedings. The discussion raised issues set forth in the written comments in these proceedings.

Pursuant to Section 1.1206(a)(1) of the Commission's Rules, two copies of the written documents discussed or distributed are attached for inclusion in the public record in the above-captioned proceedings.

Should you have any questions regarding this matter, please contact me.

Sincerely,



Donna N. Lampert

Enclosure

cc (w/encl.): Ms. Regina Keeney
Mr. Laurence Atlas
Mr. A. Richard Metzger
Mr. Daniel Gonzalez
Mr. David Krech

21.32	0.05	0.33
STOCKS	BOND YIELD	DOLLAR
5,066.90	6.01%	105.65 yen
<small>Dow Jones Industrial average</small>	<small>30 year U.S. Treasury bond</small>	<small>Down from 105.98 yen</small>

San Francisco Chronicle

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Pacific Bell At Juncture In San Jose

Company seeks mayor's
support for TV project

By Jeff Pelline
Chronicle Staff Writer

Facing regulatory gridlock, Pacific Bell executives will meet Tuesday with San Jose Mayor Susan Hammer hoping to win her support for speeding up plans to offer TV over phone lines in Silicon Valley.

Word of the high-level meeting — leaked yesterday by company sources — comes in the same week that executives disclosed plans to halt the project in Los Angeles because of permitting roadblocks. Instead, the company initially will pursue another technology, TV over a wireless network starting at year-end. Wireless TV comes to the Bay Area in early 1997.

The outcome of Tuesday's meeting will help determine the course Pac Bell takes in Silicon Valley. Wireless TV is cheaper to deploy, but it doesn't include as much interactive programming.

When asked earlier this week if he was surprised at the hurdles Pac Bell has faced in laying its \$16 billion broadband network, Lee Camp, chief executive of Pacific Telecommunications Enhanced Services, responded: "Do I have to admit how naive and ignorant I was?"

The broadband network — an alternative to cable TV — is designed to bring consumers the next generation of video entertainment, including movies-on-demand.

Camp has accelerated parent PacTel's efforts in wireless TV, probably more than any other Baby Bell. But the company still is under pressure to get its upgraded wireline network in the ground.

For now, Pac Bell is limited to testing cable TV
PACBELL: Page B4 Col. 1

PACBELL: Meeting With Mayor Hammer

From Page B1

programming with more than 220 people in San Jose. "The picture and sound quality is better than TCI," said George Hesse, a San Jose resident who is participating in the trial. "I also like the idea of competition."

It should be noted, however, that participants receive free cable TV service — and even a free color TV. "It's a small one — 13 inches I think," a spokeswoman explained. (Hesse said the free TV didn't affect his opinion.)

In its meeting with the city, Pac Bell will seek to extend the six-month trial. But it wants more. The hurdles are significant, however, and the time-table is slipping.

Pac Bell still hasn't reached agreement on a fee structure for it to operate the network in a cluster of cities, including San Jose, Cupertino, Campbell, Sunnyvale, Saratoga, Los Altos Hills, Mountain View and Santa Clara.

In addition, San Jose has yet to pass an ordinance guiding the company on issues such as right-of-way and access to private property as it builds the network.

The stakes are high for both sides.

For Pac Bell, the clock is ticking. Cable TV giant Tele-Communications Inc. is forging ahead on its own network to provide phone, TV and high-speed Internet access. And unlike Pac Bell, TCI already has the cable in the ground.

But there's also pressure on Silicon Valley politicians. They want the region to retain its status as a mecca for advanced technologies, ensuring that it can attract jobs and capital. Big job cuts at mainstay companies such as Apple Computer make the job tougher.

Pac Bell has put the hiring of 200 workers on hold pending the regulatory outcome in San Jose.

Meanwhile, the competition for advanced technology among cities is heating up. For example, San Diego has been eager to embrace PacTel's technology, along with a cable TV upgrade by Cox Cable, high-tech consumer products like e-mail from San Diego Gas and Electric, and highly successful telecom upstarts such as Qualcomm.

"One of the themes that the city has embraced is the 'city of future,' and telecommunications plays a major role in it," said Mark Freed, an aide to San Diego Councilwoman Barbara Warden.